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BUSINESS IN NEBRASKA

Number 267, December 1966

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MANUFACTURING IN NEBRASKA

Manufacturing has been considered by some to be the key to the future economic success of Nebraska. Increasingly public agencies and private organizations are stepping up their individual and collective drives for industrialization of the state. The following article describes and analyzes certain conditions as they exist and have developed in the manufacturing sector of the state's economy. Principal emphasis is given to employment and value added by the state's manufacturers as measures of their contributions to its economic development.

This article is based on data from the last complete census of manufacturing taken in 1963. Developments subsequent to 1963 have been sufficient to modify the situation described herein. The efforts of the Nebraska Division of Resources have produced results not recorded in the 1963 census. Recent reactivations of operations related to the national security and expansions of industries in several of the state's communities could not be incorporated in this analysis. The aggregate impact of these developments will not be ascertainable until the next census of manufacturing.

E. L. H.

In 1963 Nebraska's manufacturers employed nearly 65,000 persons and added approximately 750 million dollars of value in the manufacturing sector of the state's economy (See Table I). These persons were employed in 1,611 establishments operated by about 1,600 firms. The aggregate payroll in this sector in 1963 amounted to about 350 million dollars; the expenditure on new productive capacity was 46 million dollars.

In 1954, about 59,400 persons added about 395 million dollars of value in 1,450 establishments that expended an aggregate payroll of 225 million dollars while expending on capacity 36 million dollars. Rising prices have accounted for some of the increment in the dollar amounts and, hence, for an overstatement of the real increases in value added, payroll, and expenditures for additional

capacity. There have been, however, notable real increases in the output and income created in this sector of the state's economy.

In rates of growth in employment and value added by manufacturers, Nebraska has exceeded those of both the United States, as a whole, and the six-state region composed of Nebraska and its bordering states (Table I). Over a nine-year, 1954-1963 period manufacturing employment rose 9.2 percent in Nebraska, for the six-state region, it increased 7.8 percent; and for the nation as a whole, it was up 5.8 percent. Over the same period, value added by Nebraska manufacturers rose nearly 90 percent; that of the region, 80 percent; and that of the nation 62 percent.

Compared with developments of the neighboring states individually, over the nine-year period Nebraska's (Continued on page 4)

TABLE I
EMPLOYMENT AND VALUE ADDED BY MANUFACTURING IN NEBRASKA, FIVE NEIGHBORING STATES,
AND THE UNITED STATES, 1954, 1958, AND 1963

Areas	Amounts of						Percentage Change in					
	Employment ¹ (U.S. in 000's, Others in Units)			Value Added ² (All in 000,000's)			Employment			Value Added		
	1954	1958	1963	1954	1958	1963	1954 to 1958	1958 to 1963	1954 to 1963	1954 to 1958	1958 to 1963	1954 to 1963
United States	16,128	16,025	17,065	117,212.0	141,500.0	190,395.0	- 0.6	+ 6.5	+ 5.8	+ 20.7	+ 34.6	+ 62.4
Six-State Region	436,755	440,431	471,069	3,281.0	4,350.4	5,898.4	+ 0.8	+ 7.0	+ 7.8	+ 32.6	+ 35.6	+ 79.8
Colorado	64,446	77,505	93,722	472.4	781.9	1,193.8	+ 20.3	+ 20.9	+ 45.4	+ 65.6	+ 52.7	+ 152.7
Iowa	163,669	166,126	178,146	1,236.0	1,684.3	2,275.9	+ 1.5	+ 7.2	+ 8.8	+ 36.3	+ 35.1	+ 84.1
Kansas	131,432	118,830	114,288	1,049.3	1,171.0	1,460.4	- 9.6	- 3.8	- 13.0	+ 11.6	+ 24.7	+ 39.2
Nebraska	59,404	58,627	64,882	394.2	536.3	746.6	- 1.3	+ 10.7	+ 9.2	+ 36.0	+ 39.2	+ 89.4
South Dakota	11,543	12,901	13,234	77.7	114.3	140.0	+ 11.8	+ 2.6	+ 14.6	+ 47.1	+ 22.5	+ 80.2
Wyoming	6,261	6,442	6,797	51.4	62.6	81.7	+ 2.9	+ 5.5	+ 8.6	+ 21.8	+ 30.5	+ 58.9

¹Includes all production and related workers, force-account construction workers, and all non-production personnel of manufacturing establishments. Includes, therefore, employees in central administrative and auxiliary units.

²Value of shipments less cost of raw materials, parts, components, supplies, fuels, goods purchased for resale, and contract work plus (or minus) net change in finished goods work-in-process inventory.

Source: U.S. and Iowa: 1963 Census of Manufacturing (preliminary) MC63 (P) 4 and S16 and 1958 Census of Manufacturing Volume III, General Summary, Tables 1 and 2 and Alaska and Hawaii, Tables 1 and 2.

Other States: 1963 Census of Manufacturing (final) MC63 (3) Various Tables and 1958 Census of Manufacturing Volume III, General Summary, Tables 1 and 2 and Alaska and Hawaii, Tables 1 and 2.

Business Summary

In September, Nebraska's dollar volume of business was 8.2% above September, 1965. Physical volume of business was 5.4% above last year. The U.S. indexes were up 7.3% and 4.5% respectively. In both the U.S. and Nebraska, dollar volume decreased 0.1% from August, 1966. The physical volume in Nebraska decreased 1.5% while that of the U.S. increased 0.1% from August. Cash farm marketings was the only Nebraska indicator lower than the previous year. In the U.S., cash farm marketings, construction activity, and life insurance sales were down from the previous

year's level.

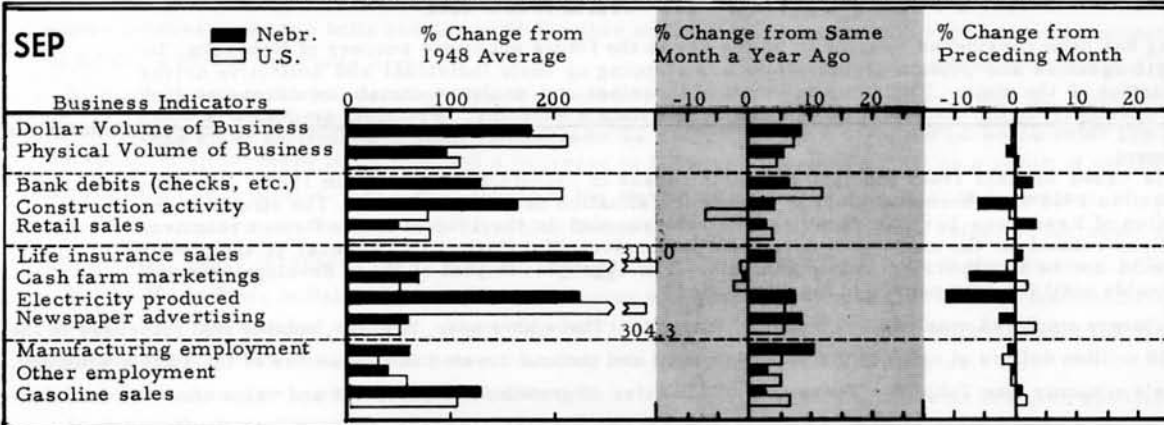
October's retail sales in Nebraska were 5.2% above last year and 0.9% (seasonally adjusted) below September. Retail sales in eighteen of the twenty-two cities reporting were above their 1965 levels. On a total-state basis the only categories under year-ago levels were building materials (-3.3%), auto dealers (-2.9%) and liquor sales (-5.4%).

Indexes of city business activities rose above year-ago levels in 21 of the 22 reporting cities. Construction activity in most of the cities was, however, markedly below last year's levels. The state index was 6.9% above October, 1965.

All figures on this page are adjusted for seasonal changes, which means that the month-to-month ratios are relative to the normal or expected changes. Figures in Chart I (except the first line) are adjusted where appropriate for price changes. Gasoline sales for Nebraska are for road use only; for the United States they are production in the previous month.

E. L. BURGESS

I. NEBRASKA and the UNITED STATES



II. PHYSICAL VOLUME OF BUSINESS % of 1948 Average

Month	Nebr. 1965-6	U.S. 1965-6
Sept.	184.9	199.4
Oct.	179.9	198.8
Nov.	179.6	200.4
Dec.	188.1	203.6
Jan.	182.5	207.2
Feb.	194.0	207.6
Mar.	193.9	210.3
Apr.	190.3	209.0
May	186.5	206.0
June	198.0	209.9
July	197.7	210.5
Aug.	197.8	208.4
Sept.	194.8	208.6

III. RETAIL SALES for Selected Cities. Total, Hard Goods, and Soft Goods Stores. Hard Goods include automobile, building material, furniture, hardware, equipment. Soft Goods include food, gasoline, department, clothing, and miscellaneous stores.

OCT		Per Cent of Same Month a Year Ago			Per Cent of Preceding Month	OCT		Per Cent of Same Month a Year Ago			Per Cent of Preceding Month
City	No. of Reports*	Total	Hard Goods	Soft Goods	Total	City	No. of Reports*	Total	Hard Goods	Soft Goods	Total
THE STATE	930	105.2	101.6	106.0	99.1	Fremont	36	97.0	96.7	97.4	91.0
						Fairbury	28	110.7	122.8	100.8	107.0
Omaha	100	96.1	90.0	101.0	101.1	Norfolk	36	109.6	112.3	107.3	107.8
Lincoln	88	100.4	96.6	103.5	99.4	Scottsbluff	36	105.4	104.1	106.6	97.0
Grand Island	37	115.7	114.8	116.6	106.9	Columbus	30	117.9	118.4	117.6	98.1
Hastings	35	102.6	109.8	96.4	100.5	McCook	24	107.1	88.9	122.0	92.7
North Platte	23	99.0	84.8	109.0	103.5	York	34	102.4	98.8	105.3	94.1

IV. RETAIL SALES, Other Cities and Rural Counties

OCT	No. of Reports*	Per Cent of Same Month A Year Ago	Per Cent of Preceding Month
Kearney	20	111.0	100.6
Alliance	30	105.6	102.4
Nebraska City	22	99.0	99.3
Broken Bow	17	107.9	103.7
Falls City	18	106.5	112.5
Holdrege	22	111.3	110.6
Chadron	24	119.8	114.1
Beatrice	20	103.4	94.3
Sidney	26	101.1	89.6
So. Sioux City	15	114.0	111.3
Antelope	13	119.6	128.5
Cass	28	103.3	94.4
Cuming	14	115.8	137.0
Sand Hills**	29	102.1	106.3
Dodge***	13	90.0	90.2
Franklin	10	108.9	89.8
Holt	15	108.6	93.6
Saunders	19	98.7	86.7
Thayer	9	94.8	111.1
Misc. Counties	59	108.6	113.2

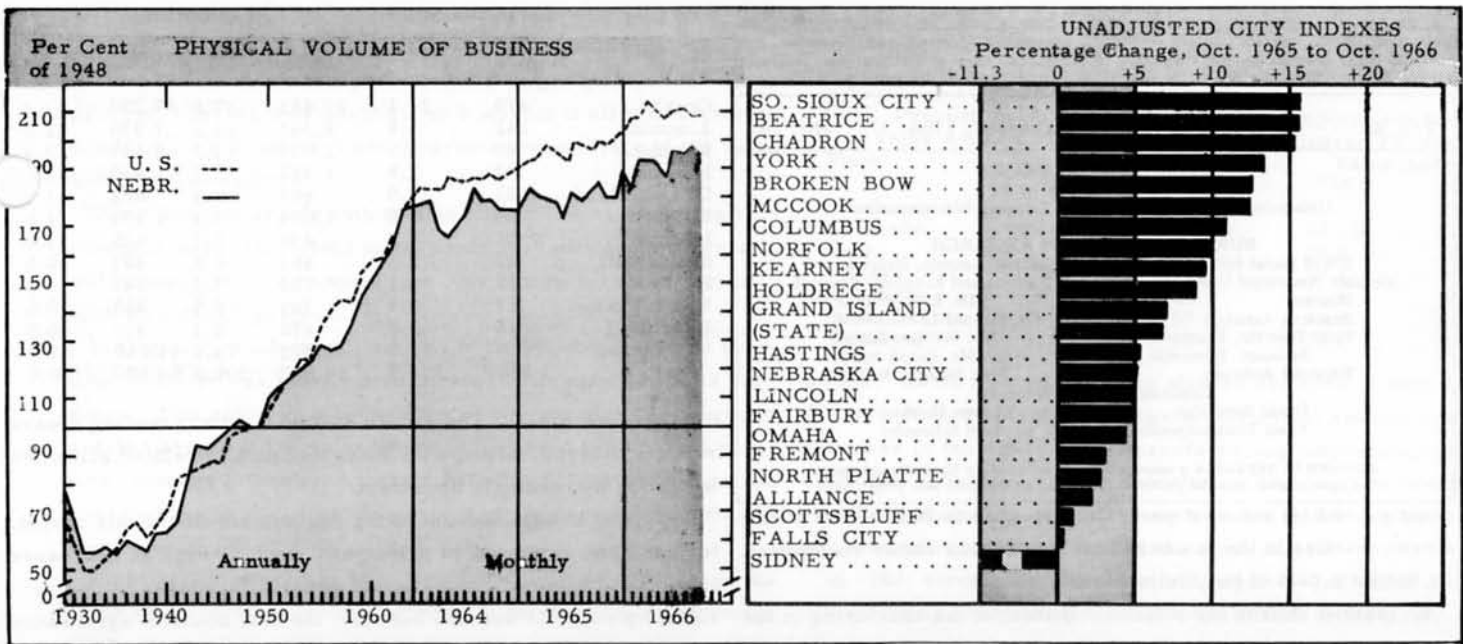
V. RETAIL SALES, by Subgroups, for the State and Major Divisions

OCT	Type of Store	Per Cent of Same Month a Year Ago			
		Nebraska	Omaha and Lincoln	Other Cities	Rural Counties
	ALL STORES*	105.2	98.2	107.6	109.9
	Selected Services	103.8	101.7	97.4	112.2
	Food stores	105.9	103.0	109.1	105.5
	Groceries and meats	107.6	106.0	111.8	104.9
	Eating and drinking pl.	103.1	98.3	105.3	108.8
	Dairies and other foods	101.1	99.5	104.3	99.5
	Equipment	105.3	97.2	106.5	112.1
	Building material	96.7	88.0	94.3	107.8
	Hardware dealers	103.9	108.6	104.1	99.1
	Farm equipment	118.3	100.3	129.8	124.9
	Home equipment	100.7	99.0	108.1	95.0
	Automotive stores	100.1	91.5	106.8	101.9
	Automotive dealers	97.1	89.1	106.4	95.7
	Service stations	105.8	101.1	108.0	108.2
	Miscellaneous stores	106.1	97.0	106.7	114.6
	General merchandise	108.7	96.3	103.8	126.1
	Variety stores	101.4	93.9	106.7	103.6
	Apparel stores	108.6	100.9	112.4	112.4
	Luxury goods stores	110.0	96.4	107.2	126.3
	Drug stores	100.1	97.5	103.8	99.1
	Other stores	100.2	95.0	106.4	99.1
	Liquor stores	94.6	95.3	99.0	90.0

*Not including liquor stores ***Outside Principal City

**Including Hooker, Grant, Dawes, Cherry, and Sheridan Counties

****Not including Selected Services and Liquor Stores



Figures on this page are not adjusted for seasonal changes nor for price changes. Building activity includes the effects of past as well as present building permits, on the theory that not all building is completed in the month the permit is issued. E. L. B.

VI. CITY BUSINESS INDICATORS

OCT										
Per Cent of Same Month a Year Ago										
State or City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising	
The State	106.9	109.0	68.8	105.2	109.2	105.4	108.1	112.8	103.8	
Beatrice	115.8	116.7	150.7	103.4	111.9	113.8	188.5	120.7	107.2	
Omaha	104.2	106.9	78.7	96.1	108.0	106.9	86.0	107.2	107.1	
Lincoln	105.0	108.0	35.4	100.4	102.8	108.6	112.8	124.8	94.9	
Grand Island	107.0	121.3	34.9	115.7	121.2	87.2	113.5	94.5	-	
Hastings	105.7	105.9	65.4	102.6	112.8	119.3	132.8	101.5	100.5	
Fremont	103.8	105.4	85.4	97.0	121.7	NA	107.3	105.7	NA	
North Platte	102.8	102.7	78.8	99.0	106.6	78.8	192.4	103.8	105.9	
Kearney	109.7	109.3	102.5	111.0	122.4	101.5	146.2	108.9	NA	
Scottsbluff	101.8	103.6	44.4	105.4	111.1	91.4	110.3	106.6	89.3	
Norfolk	110.0	89.1	78.6	109.6	114.4	135.9	129.2	106.2	109.6	
Columbus	111.2	120.8	55.4	117.9	111.1	104.8	136.2	110.9	102.8	
McCook	112.1	121.7	37.1	107.1	116.9	112.2	NA	130.0	107.2	
Sidney	88.7	98.5	67.0	101.1	84.0	83.7	138.8	79.1	NA	
Alliance	102.6	102.8	55.3	105.6	113.3	74.8	132.4	97.3	104.7	
Nebraska City	105.5	126.8	102.9	99.0	104.8	99.7	117.4	108.9	NA	
So. Sioux City	115.8	136.5	446.5	114.0	96.6	NA	NA	87.1	NA	
York	113.8	121.2	196.5	102.4	93.1	104.9	135.6	118.0	-	
Falls City	100.7	96.7	98.0	106.5	94.7	104.1	99.6	123.6	101.1	
Fairbury	104.9	97.3	22.6	110.7	116.3	118.4	103.0	97.7	108.1	
Holdrege	108.6	124.3	NA	111.3	112.6	84.0	99.0	111.3	NA	
Chadron	115.4	113.0	384.5	119.8	114.8	111.5	NA	114.1	NA	
Broken Bow	112.5	116.1	163.0	107.9	110.3	110.9	130.3	91.5	112.8	

OCT										
Per Cent of Preceding Month (Unadjusted)										
State or City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising	
The State	97.8	100.4	91.5	102.3	93.1	132.8	92.2	95.6	102.3	
Beatrice	95.7	94.7	137.3	97.7	84.6	183.3	76.7	89.8	100.5	
Omaha	101.0	101.0	93.1	103.5	99.0	117.5	98.3	100.4	114.2	
Lincoln	96.5	100.3	80.1	101.5	83.8	149.6	108.3	91.1	93.0	
Grand Island	99.4	101.4	97.9	109.5	98.5	142.5	83.1	89.2	-	
Hastings	103.6	98.1	108.5	102.8	104.6	199.6	65.8	106.9	100.0	
Fremont	95.0	97.5	102.6	93.2	89.5	NA	98.6	90.5	NA	
North Platte	100.5	106.9	84.5	106.5	91.6	163.2	115.6	77.2	97.1	
Kearney	99.0	87.2	68.4	103.3	106.6	209.5	79.6	117.0	NA	
Scottsbluff	100.2	110.3	95.4	99.5	87.1	202.7	85.7	117.9	95.4	
Norfolk	100.9	88.6	93.0	110.5	66.3	170.2	102.5	104.8	103.2	
Columbus	103.0	98.4	128.5	100.8	75.4	137.6	113.3	97.2	99.5	
McCook	99.8	111.0	93.3	95.2	84.2	239.4	NA	130.7	77.6	
Sidney	92.7	99.4	102.2	91.8	81.7	174.3	77.1	86.9	NA	
Alliance	95.7	116.2	78.9	104.6	71.1	212.7	61.6	98.1	101.2	
Nebraska City	101.2	106.8	95.4	101.7	86.1	97.2	104.8	105.9	NA	
Sioux City	91.6	95.9	88.6	114.7	63.8	NA	NA	90.4	NA	
York	103.2	110.9	103.7	96.6	81.7	153.2	78.7	103.5	-	
Falls City	110.7	95.7	141.1	114.6	100.0	126.1	98.9	104.9	123.3	
Fairbury	98.8	91.2	83.7	109.8	101.2	111.8	93.9	98.7	101.2	
Holdrege	103.4	94.8	NA	113.4	93.9	222.0	89.3	111.5	NA	
Chadron	98.7	94.3	81.1	117.3	88.6	213.2	NA	94.5	NA	
Broken Bow	103.4	121.8	77.1	106.2	105.3	228.1	88.1	114.2	85.5	

(Continued from first page) rate of growth in manufacturing employment ranked third, well below that of Colorado (with its marked 45 percent rise) and somewhat below that of South Dakota (with its nearly 15 percent rise on a much smaller base) (Table I). Nebraska's 11 percent rise during the five-year, 1958-1963 period more than offset an earlier four-year, 1954-1958 fall of slightly more than 1 percent. Of the six states in the region, only Nebraska and Kansas failed to show growth during the four-year, 1954-1958 period. Both declined during this period by rates greater than the U.S. decline. Nebraska's decline during the 1954-1958 period was twice as great as that of the nation. Its recovery after the 1957-1958 recession, therefore, appears even more notable. The manufacturing sector of these two states appears to have been more susceptible to the cyclical forces dominating the state and national economies during the 1957-1958 recession.

The growth in manufacturing employment in Nebraska has accelerated, more than that of any other state, or the region, or the nation - comparing developments of the later five-year, 1958-1963 period with the four-year 1954-1958 period. Over the later period, Nebraska's average annual rate of growth exceeded considerably that of all its neighboring states except Colorado. Moreover, Nebraska's rate of growth in the later period exceeded that of the earlier period by more than that of any contiguous state. Essentially the same relationship developed between Nebraska's growth pattern and those of the region and the nation.

In value added, Nebraska's growth has decelerated. A 36 percent increase over the four-year, 1954-to-1958 period was exceeded but slightly by a 39 percent increase over the five-year, 1958-to-1963 period. As a result, the average annual rate of increase was lower during the latter period. This pattern of deceleration was not as extreme, however, as for Colorado and Iowa, two of the three "manufacturing" states of the region, and South Dakota. All these experienced notable declines in their average annual rates of increase, as did the six-state region as a whole. On the other hand, value added rose for the national economy at an accelerated rate.

The data available herein do not permit an analysis sufficient to explain the causal forces involved, yet two possibilities may be raised.

The first is that Nebraska's decelerating rate may have reflected a deceleration in the growth in certain of the high-value-added industry groups. Or, growth in all industry groups may have decelerated. Determination of which possibility is the actual case must wait for further analysis.

Manufacturing in Nebraska remains dominated by firms that employ a small number of persons. The tabulation below shows that in 1963 nearly 55 percent of the establishments employed less than 10 persons; nearly three-fourths of them had less than 20 employees. Less than 15 percent of the units employed more than 50 persons.

Employees	Establishments		Percent of Total	
	1958	1963	1958	1963
Under 10	882	879	57.4	54.6
10 - 19	242	258	15.7	16.0
20 - 49	210	239	13.7	14.8
50 - 99	92	118	6.0	7.3
100 - 249	64	67	4.2	4.2
250 - 499	26	29	1.7	1.8
500 - 999	15	15	1.0	0.9
1,000 or more	5	6	0.3	0.4
Total	1,536	1,611	100.0	100.0

Comparison of 1963 with 1958 indicates only minor increases in the proportions of the units in the 20-49 and 50-99 employees classes with minor decreases in the "under 10 employees" class. There is, therefore, no marked indication of employment becoming concentrated in the larger units.

Manufacturing in Nebraska is markedly oriented to its agricultural and governmental, which includes educational, activities. The major portions of the state's manufacturing employment and value added emanate from the "food and kindred products" industry group (See Table II). In 1963, nearly 27 thousand, or 41 percent, of the nearly 65 thousand persons employed in manufacturing, and 317 million, or 42 percent, of the 747 million dollars of value added in all manufacturing originated in the "food and kindred products"

TABLE II
EMPLOYMENT AND VALUE ADDED BY MANUFACTURE IN NEBRASKA BY INDUSTRY GROUP, 1958 AND 1963

Industry Groups ²	Employment ¹				Value Added				
	1958		1963		1958		1963		Change '58 to '63
	Num- ber	% of Total	Num- ber	% of Total	Thousands of Dollars	% of Total	Thousands of Dollars	% of Total	
Total	58,627	100.0	64,882	100.0	536,317	100.0	746,597	100.0	+ 39.2
Food & Kindred Products	27,680	47.2	26,698	41.2	264,967	49.5	316,634	42.4	+ 19.5
Printing & Publishing	5,058	8.6	5,483	8.5	40,861	7.6	50,734	6.8	+ 24.2
Electrical Machinery	3,349	5.7	5,348	8.2	22,796	4.3	64,379	8.6	+ 182.4
Fabricated Metals	3,583	6.1	3,845	5.9	39,552	7.4	40,312	5.4	+ 1.9
Transportation Equipment	2,064	3.5	3,401	5.3	16,724	3.1	34,095	4.6	+ 103.9
Machinery (Excl. Electrical)	3,252	5.6	3,354	5.2	27,588	5.1	49,979	6.7	+ 81.2
Stone, Clay, & Glass	1,813	3.1	2,228	3.4	22,576	4.2	31,225	4.2	+ 38.3
Chemicals & Allied Products	1,750	3.0	2,085	3.2	27,023	5.0	41,974	5.6	+ 55.3
Primary Metals	1,108	1.9	1,840	2.8	20,383	3.8	26,000	3.5	+ 27.6
Apparel & Related Products	1,533	2.6	1,652	2.5	7,307	1.4	7,582	1.0	+ 3.8
Rubber & Plastic Products	1,146	1.9	1,450	2.2	9,799	1.8	15,575	2.1	+ 58.9
Furniture & Fixtures	1,033	1.8	1,256	2.0	8,093	1.5	11,534	1.5	+ 42.5
Lumber & Wood Products	810	1.4	902	1.4	4,319	0.8	7,065	0.9	+ 63.6
Misc. Manufacturing ³	1,786	3.1	1,689	2.6	10,004	1.8	14,650	2.0	+ 46.4
Others ²	1,744	3.0	2,570	3.9	14,325	2.7	34,859	4.7	+ 143.3
Administrative & Aux. Units ⁴	918	1.5	1,081	1.7	- - -	- -	- - -	- -	- - -

¹Employment in operating establishments only; for employment in central administrative offices and auxiliary units, see last industry group.

²Excludes industries having less than 100 employees and those for which figures were withheld, either in 1958 or 1963 to avoid disclosure; these figures are included in "Others".

³Includes ordnance and accessories.

⁴Includes central administrative offices and research laboratories; storage warehouses, power plants, garages, repair shops, etc., which service the operating establishments of the company.

Source: Compilation by Bureau of Business Research from 1963 Census of Manufacturing; Nebraska. Area Series, MC63(3)-28.

industry group.

"Printing and publishing" and "electrical machinery" were the second and third most important industry groups in 1963. Each provided, however, only slightly over 8 percent of all manufacturing employment and nearly 7 and 9 percent respectively of the value added in manufacture.

Other industry groups with notable shares of manufacturing employment were "fabricated metal products," with about 6 percent, and "transportation equipment" and "machinery, except electrical," each with about 5 percent.

In 1963, the manufacturing activity in the "food and kindred products" industry was heavily concentrated in its meat products subgroup. This subgroup accounted for 47 percent of the employment and 36 percent of the value added in the "food and kindred products" industry. Combined, "grain mills" and "dairies" subgroups provided for an additional 24 percent of employment and 30 percent of value added.

Historically, there has been a decline in the importance of the "food and kindred products" industry in the manufacturing sector of the state's economy. It has been the only industry group to experience notable declines both in number and in share of total employment.

During the five-year, 1958-1963 period, the state's total manufacturing employment increased by 6,255 persons, or about 11 percent. Nearly all industry groups gained both in number and share. Contrarily, employment in the "food and kindred products" group fell 982 persons, or about 3.5 percent. As a result, the proportion of total manufacturing employment provided in this group declined from 47 to 41 percent. Although value added in manufactured food and kindred products increased over the five-year, 1958-1963 period, the 19.5 percent increase was markedly below the increases occurring in 12 of the 14 industry groups (See Table II). The result, therefore, was a decline in the "food and kindred products" share of total value added from 49.5 percent to 42.4 percent.

The decline in the relative importance of manufacturing food and kindred products has been markedly more in Nebraska than in its

neighboring states. As shown in the tabulation below, Nebraska's proportion of total manufacturing employment in this agri-related subgroup dropped from 47.2 to 41.2 percent, or 6.0 percentage

State	Proportion of Total Manufacturing Employment and Value Added Originating in Food and Kindred Products			
	Employment		Value Added	
	1958	1963	1958	1963
Colorado	22.5%	25.6%	22.5%	21.1%
Iowa	31.9	28.2	32.0	28.6
Kansas	18.5	18.6	18.4	16.4
Nebraska	47.2	41.2	49.5	42.4
South Dakota	63.6	59.2	71.4	67.8
Wyoming	22.0	22.1	20.0	20.9

points. South Dakota and Iowa showed declines of only 4.4 and 3.7 percentage points. Contrarily, Colorado showed a notable increase in the share of all manufacturing employment coming from this industry group. A decline in the relative position of "food and kindred products" group in value added was even more pronounced in Nebraska than in the other states.

In 1963, ninety percent of the employment and value added in manufacturing in Nebraska occurred in fifteen of its ninety-three counties (See Table III). Predominating was Douglas County, with 50.3 percent of the employment creating 53.0 percent of the value added. Lancaster County, with shares of 14.3 and 11.5 percent, was the only other county with shares in excess of 4 percent. Combined, the two counties provided nearly two-thirds of the state's manufacturing activity in 1963.

Over the five-year, 1958-1963 period the fifteen counties taken as a group showed a 12 percent gain in employment and a 40 percent gain in value added. Individually, certain counties showed marked gains. Although most of the large relative increases - for example, the 177 percent increase in employment in Dawson County - reflect small absolute changes, these are not considered inconsequential. An increase of, for example, 500 employees could be an important portion of an increase in the county's work force.

In 1963, twenty counties in the state had 300 or more persons employed in manufacturing (See Figure 1). Spatially, these counties were in four regions: (1) an east-central "belt" of five counties, (2) a southeastern bloc of eight counties, (3) a central "belt" of six

TABLE III
EMPLOYMENT AND VALUE ADDED IN MANUFACTURING INDUSTRIES
IN LEADING COUNTIES IN NEBRASKA IN 1958 AND 1963

Counties ¹ (in order of 1963 employment)	Employment						Value Added					
	1958		1963		% of State		1958		1963		% of State	
	Num- ber	Rank	Num- ber	Rank	1958	1963	\$1,000s	Rank	\$1,000s	Rank	1958	1963
Douglas	30,580	(1)	32,691	(1)	52.2	50.3	6.9	295,119	(1)	395,732	(1)	58.3
Lancaster	8,626	(2)	9,063	(2)	14.7	14.3	5.0	71,302	(2)	85,730	(2)	14.1
Dodge	2,227	(3)	2,499	(3)	3.8	3.9	11.2	18,291	(4)	28,812	(3)	3.6
Platte	2,191	(4)	2,476	(4)	3.8	3.8	13.0	21,319	(3)	23,155	(4)	4.2
Scotts Bluff	1,320	(5)	1,510	(5)	2.2	2.3	14.4	14,503	(5)	17,718	(7)	2.9
Adams	1,068	(8)	1,507	(6)	1.8	2.3	41.1	8,032	(9)	18,863	(6)	1.6
Dawson	537	(12)	1,489	(7)	0.9	2.3	177.3	5,561	(12)	22,799	(5)	1.1
Hall	1,099	(7)	1,421	(8)	1.9	2.2	29.3	8,284	(7)	12,619	(9)	1.7
Gage	1,112	(6)	1,384	(9)	1.9	2.1	24.5	9,328	(6)	11,276	(10)	1.8
Otoe	768	(9)	931	(10)	1.3	1.4	21.2	6,014	(11)	14,504	(8)	1.2
Buffalo	634	(10)	851	(11)	1.1	1.3	34.2	7,787	(10)	11,041	(11)	1.5
Madison	534	(13)	735	(12)	0.9	1.1	37.6	4,477	(13)	9,852	(13)	0.9
Saline	567	(11)	689	(13)	0.9	1.0	21.5	3,785	(14)	7,385	(14)	0.7
Sarpy	518	(14)	549	(14)	0.9	0.8	6.0	8,127	(8)	10,971	(12)	1.6
Richardson	270	(15)	537	(15)	0.5	0.8	99.0	1,500	(Est.)	4,127	(15)	0.3
Total 15 Counties	52,051		58,332		88.8	89.9	12.1	483,429		674,584		95.5
Total of Remainder	6,576		6,550		11.2	10.1	- 0.4	22,888		72,013		4.5
Total State	58,627		64,882		100.0	100.0	+ 10.7	506,317		746,597		100.0

¹Excluding Keith, which in 1963 had employment of 657, for which other figures are not available for 1958 and 1963.

Source: Compilation by Bureau of Business Research from 1963 Census of Manufactures: Nebraska. Area Series, MC63(3)-28.

1963		1958		1963	
Number	%	Number	%	Number	%

Albany	470	29.1	27,883	47.6	27,200	41.9
Albany	142	8.8	8,342	14.2	7,936	12.2
Albany	40	2.5	2,039	3.5	2,147	3.3
Albany	40	2.5	1,013	1.7	1,430	2
Albany	31	1.9	507	0.9	822	1
Albany	24	1.5	1,004	1.7	1,694	2.6
Albany	21	1.3	436	0.7	626	1.0
Albany	21	1.3	461	0.8	403	0.6
Albany	17	1.1	708	1.2	1,045	1.6
Albany	17	1.1	309	0.5	360	0.6
Albany	16	1.0	170	0.3	397	0.6
Albany	839	52.1	42,872	73.1	44,060	67.9
Albany	1,611	100.0	58,627	100.0	64,882	100.0

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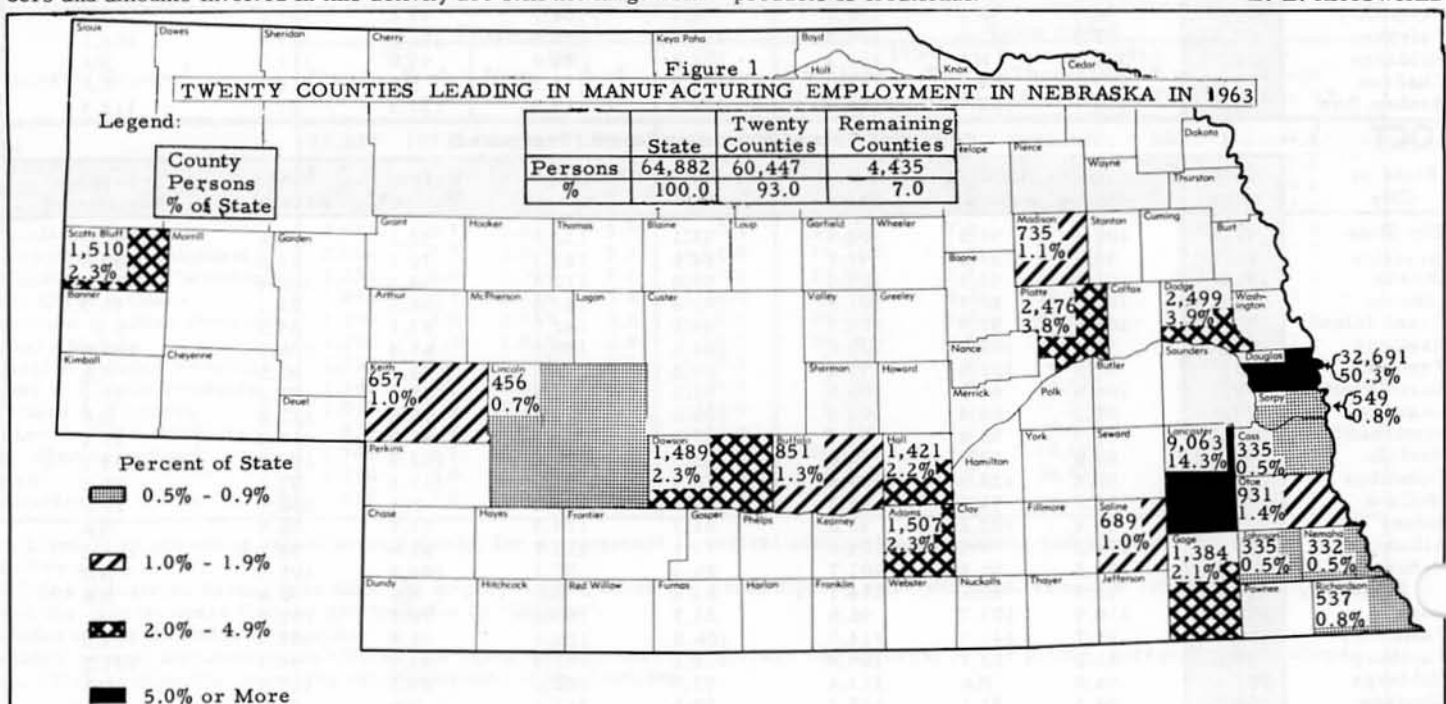
Expansion of total manufacturing employment during this period, for example, represented principally the net result of decreases in food and kindred products and general increases in nonagri-related groups. It was not, however, the real output of agriculture and related manufacturing that declined. Rather, the demand for labor declined as a result of mechanization.

The "solution" to be desired, of course, is not a reversal of this movement, but rather an increased application of labor and capital in all sectors of the economy. Continued diversification in the pattern of growth in the manufacturing sector is needed, but should not be sought without regard for the growth possibilities of agri-related industries.

The future will bring an absolute increase in the demand for agricultural products and related manufacturing activities. It is imperative that more firms be sought to complement the future growth of output in the agricultural sector. Moreover, research related to the processing and marketing of the products of the state's farms and ranches is as much to be desired as research directed toward enhancement of their output. To say that declining employment and income in the agricultural sector warrant a "turning away" from improving the manufacturing and marketing of its products is irrational.

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Source: Compilation by Bureau of Business Research from 1963 Census of Manufactures: Nebraska, Area Statistics, MC63(3)-28.